

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

**COMPANION GUIDE
COST/BENEFIT ANALYSIS ILLUSTRATED**

AUGUST 1994

PREFACE

This *Companion Guide* was prepared in response to the requests of State professionals, especially those who participated in the State Cost/Benefit Workgroup. In particular, the workgroup requested that ACF provide examples of a cost/benefit analysis, prepared under the general guidelines of the *Feasibility, Alternatives, and Cost/Benefit Analysis Guide* issued initially by ACF in 1992. In addition, ACF developed a prototype set of spreadsheet templates and macros (with brief instruction sheet) to automate the development and production of cost/benefit analysis reports recommended by the Guide. These templates are available in Lotus 1-2-3™, Microsoft Excel™, and Borland Quattro-Pro™ formats. They are recommended only for experienced users since ACF can provide only limited phone support.

This *Companion Guide* provides a *generic* cost/benefit analysis. It does not attempt to address program-unique costs and benefits. It does serve to illustrate how a cost/benefit analysis is developed and documented to justify a proposed systems project.

ACF welcomes suggestions from those using this guide. After all, the true test of any manual is how well it supports analysts in the performance of their assigned tasks and whether it remains relevant and useful.

An *Evaluation, Comments, and Suggestions* form is included in Appendix A to this Guide. Comments and requests for information (including the spreadsheet templates) may be directed to:

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Administration for Children and Families
Director, Office of Information Systems Management
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